

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 000387

SIPDIS

E.O. 12958: DECL: 01/27/2016

TAGS: [PREL](#) [PTER](#) [KPAL](#) [KWBG](#) [IS](#) [ISRAELI](#) [PALESTINIAN AFFAIRS](#) [GOI](#) [EXTERNAL](#)

SUBJECT: INITIAL ISRAELI RESPONSE TO THE PLC ELECTIONS

Classified By: Ambassador Richard H. Jones; Reasons 1.4 (B) and (D).

1. (C) Summary and comment: Alternate Prime Minister Ehud Olmert has urged patience in formulating a response to the surprise outcome of the Palestinian elections, but said publicly that he will not negotiate with a Palestinian Authority government that includes Hamas. Israeli politicians from most parties except Kadima and Labor blamed disengagement for the strong Hamas showing, while security officials worried that the outcome could lead to renewed terrorist attacks. These factors cast the first real dose of uncertainty into the March 28 Knesset elections, which have to this point been Kadima's to lose. Olmert's cautious line means that working-level contacts with the caretaker PA are likely to continue until a new PA government is formed. We should expect increased GOI pressure to maintain -- and ensure that the Europeans adhere to -- a "no contact" policy with Hamas. We also face the prospects of a further deadlock on implementation of most of the remaining Agreement on Movement and Access (AMA) issues. End summary and comment.

Olmert urges patience, demands that the PA disarm militants, and says he will not negotiate with Hamas

2. (C) Despite its significant intelligence-gathering capabilities in the West Bank and Gaza, the GOI was taken by surprise by the margin of the Hamas victory. In meetings with USG officials and Congressional visitors prior to the closing of the polls on January 25, A/PM Olmert, NSA Giora Eiland, and Senior Adviser Dov Weissglas were focused on avoiding any USG acceptance of international (read European) contact with Hamas officials if Hamas were to assume even sub-cabinet positions in the executive branch, let alone important cabinet portfolios. Olmert was insistent that -- regardless of the outcome -- the PA honor its roadmap obligations to disarm militants, a point he reiterated publicly after the elections.

3. (C) As it became clear on January 26 that Hamas would win big, Olmert called an evening meeting of his security cabinet. Following the discussion, he told reporters: "I suggest not rushing into hasty responses. We are only at the start of the process." In keeping with this strategy, we remain hopeful that Olmert will proceed with revenue transfers to the PA as usual, i.e., according to previous agreements, until a new PA government is formed. Finance Ministry officials told econcouns that the next revenue transfer, if it takes place, will occur January 31 and will total NIS 240 to 250 million (after deducting NIS 50 to 60 million for utilities and NIS 5 million for court attachments), even though the GOI has no assurances on how the money will be spent. Shimon Peres has indicated in both public and private conversations that he nonetheless foresees a freeze in international assistance to any PA run by Hamas.

4. (C) Press reports indicate that PM Adviser Weissglas will continue to chair a group of senior officials who are tasked with examining Israel's options with the Palestinians. Weissglas told the Ambassador January 27 that the previous evening's cabinet meeting had been an angry affair, where many of the ministers vented their frustrations. However, in the end the only decision was to go forward with a previously planned meeting with the PA on revenue transfers set for January 29. Deputy CoS MG Moshe Kaplinsky and Chief of Operations (J-3) MG Gadi Eisencot told the DATT January 27 that, for the time being, the Israeli Defense Forces had no plans to increase their alert status or impose additional closures or checkpoints. They would, however, continue arrest operations and the pursuit of "ticking bombs" as they had done during the past months.

5. (C) In a statement issued after the security cabinet meeting, Olmert said "Israel will not negotiate with a Palestinian administration if its members include an armed terrorist organization that calls for the destruction of the State of Israel." Olmert was also widely quoted as stating that "... if a Palestinian government is formed with Hamas participation, the Palestinian Authority will become a terrorist authority, which the world and Israel will ignore and render irrelevant ... a Palestinian Authority with Hamas is not a partner." These public statements track closely with what Olmert has been telling visiting CoDels and USG officials in recent days.

Impact on the Knesset elections

16. (SBU) The Hamas victory immediately became fodder for the ongoing campaign for the Israeli general elections on March 28. Likud leader Binyamin Netanyahu wasted no time blaming the disengagement policy for rewarding terrorism, saying: "before our very eyes, Hamastan has been established, the step-child of Iran and the Taliban." Echoing what he had previously told USG officials, former FM Silvan Shalom warned that holding the PLC elections had been a "grave mistake" and would provide the international community with the justification to deal with Hamas. Criticism also came from the left, such as Meretz leader Yossi Beilin, who accused the GOI of having weakened Abbas by acting unilaterally on disengagement. Labor leader Amir Peretz took the opposite tack, saying: "if we have to, we will implement unilateral moves. We will not agree to a diplomatic stalemate. The changes in the Palestinian Authority will not hold us hostage."

17. (C) IDF leaders told the DATT that they are concerned that post-election maneuvering between Hamas and Fatah could lead to violence that might spill-over into Israel. Several media commentators asserted that an upswing in violence could affect Kadima's chances of maintaining its current lead in the polls.

Comment: increased uncertainty/problems for the AMA

18. (C) Despite press headlines announcing the "death of the peace process," the GOI is waiting to see what steps Abbas, the PA, and Hamas take next. Olmert's cautious line means that the limited working-level contacts with the PA are likely to continue at least until a new PA government is formed. Despite Israeli rhetoric against Hamas, the possibility exists that such working-level contacts on operational issues could continue afterwards. One former minister and high-ranking IDF official from the Labor party told a staffed last year that he and other GOI officials had met with Hamas in the past, and he assumed that such contacts continue. Polling data taken in January indicates that approximately half of the Israeli electorate would not oppose negotiating with Hamas if the group ends its call for Israel's destruction.

19. (C) As the USG, we should expect increased pressure from the GOI to keep the Europeans in line and refrain from any contact with Hamas. NSA Eiland asked DAS Danin on January 25 "to raise the bar" with the EU, and FM Tzipi Livni is hard at work cobbling together a unified international response for dealing with the election results. Specifically, she is working on ensuring that the international community maintains its demand that the PA and Abbas take action to disarm militants. In this regard Weissglas told the Ambassador that Israel is looking for a strong statement from the January 30 meeting of the Quartet.

110. (C) The Hamas victory is also likely to lead to a further deadlock on implementation of most of the remaining AMA issues, as well as increased pressure regarding what the GOI sees as PA non-compliance with parts of the Rafah agreement. Resolving operational problems will also be more difficult. For example, IDF leaders told the DATT that they did not know how they would deal with issues such as the Karni closure in the future, since they are not certain with whom they can or should deal on the Palestinian side.

111. (C) Whatever shape the PA eventually takes, the victory by Hamas has cast the first bit of uncertainty into what looked to be an easy Kadima victory in Israel's March 28 elections. Kadima's opponents have now pounced and declared that disengagement strengthened Hamas. Kadima is likely to flip the argument on its head. If faced during the campaign with a Hamas-led PA and/or further marginalization of Abbas, Kadima could argue that the GOI no longer has a partner for peace and has no choice but to take additional unilateral steps that are in Israel's interest. Olmert has told us that this is not his preferred option, but it is one that he is contemplating; he made this same point publicly in his recent speech to the Herzliya conference. In any case, Olmert has told us that Israel will be unable to make significant policy moves until after the Knesset elections in March.

Visit Embassy Tel Aviv's Classified Website:
<http://www.state.sgov.gov/p/nea/telaviv>

You can also access this site through the State Department's
Classified SIPRNET website.

JONES